

At Awali are the offices and the homes of the European employees of BAPCO, while outside the fence is the Arab camp for the few Bahrainis who prefer to live there rather than in their own towns and villages. Near Awali's eastern gate is the Training School for Bahrainis, where something is done to equip them for higher posts in the company. This is a field of activity which the company is beginning to develop and it is very important that it should succeed.

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South of Awali, in the desert around the Jebal ad-Dukhan, is the oil field, the *raison d'être* of BAPCO, an unimpressive area with many little squares of cement decorated with taps and valves and surrounded by low fences, which are the oil wells, while here and there derricks mark the search for more oil which is always in progress.

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After the Abadan Refinery the one on Bahrain is the largest in the Middle East and supplies large quantities of refined products to India, Pakistan, East Africa and other countries "East of Suez." During the day it would be difficult to describe the refinery as anything but a large and ugly mass of iron and steel, with the great Cat. Cracker rising above the squat silver tanks. The air is hot and dusty and in the summer the iron-work is so hot that to touch it raises blisters; but in the evening the refinery takes on the appearance of a slightly shapeless but nevertheless well decorated Christmas Tree, covered in lights and set against a background of flares of burning gas which illuminate the sky like a lurid orange back-cloth.

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The Sitra anchorage has at all times an appearance of feverish activity, it is being improved so that it will be possible to load ships and tankers round the clock. In order to do this the jetty is being floodlit with great arc lamps.

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On low-lying Sitra Island all that can be seen from the sea are the storage tanks, it is only on approaching nearer that the island itself becomes visible. The Tank Farm spreads across the middle of Sitra, and as it expands it threatens to cut the island in two. To the south of the Tank Farm is a large group of buildings from which a crashing sound is continually heard; this is the Drum Plant. Further evidence of this is present in the thousands of newly painted drums that are piled in huge rows near the plant.

The oil industry is directed from the main office in Awali, where from air-conditioned coolness in the summer and air-conditioned warmth in the winter instructions go out to all parts of Bahrain where BAPCO has its installations. Bahrain is well situated for an oil industry. The oil wells are about eight miles from the Refinery, which itself is scarcely more than half that distance from the Pier and Tank Farm, while from Awali it is possible to see on a clear day both the Refinery and the Field. The radio-telephone and the aeroplane used in other Middle Eastern fields have no place in Bahrain where phones and cars are quite sufficient.

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Of the 7,749 workers employed by BAPCO at the end of 1951, 4,937 were Bahrainis and 1,035 were British, American and other.

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464 Europeans. For the latter the company provides many amenities.
 382 In the town of Awali there is a cinema, a club and other recreational
 511 facilities. There is a Commissary for the supply of foods and goods
 466 unobtainable elsewhere in Bahrain; a school for American and European
 children with qualified teachers and hospitals for the various
 nationalities employed by BAPCO. A cinema, swimming bath and
 mosque are also being constructed in the Arab Camp, and a swimming
 bath and cinema in the Indian and Pakistani camp at Rifaa. The company
 also maintains dispensaries in some of the villages and has built
 three schools for the Bahrain Government. There is cordial co-
 operation between the Bahrain Government and BAPCO in all fields
 of social service and although it may seem strange that an oil company
 should be encouraged to occupy itself with so many activities not
 directly connected with the production of oil, yet it is now recognised
 in the Middle East that it is an obligation of oil companies not only
 to work for their shareholders but also for the benefit of the people of
 the country from which they derive their profits.

471 In 1940 a Supplementary Agreement was signed between the Ruler
 382 and the Bahrain Petroleum Company in which the latter received an
 extension to its concession including all lands, shoals, reefs, waters
 and submerged lands of "the present and future domains" of the
 Ruler of Bahrain.

315 It is a comparatively rare thing for people visiting Bahrain to see
 the actual oil which has made the Islands famous, gone are the days
 when to "strike oil" meant that a huge gusher of oil would leap skywards
 covering everything about it with what is termed, in the hackneyed
 phrase of the journalist, "black gold." Today the drilling of a well
 is normally a tidy process; when oil is struck the drillers have complete
 control over its flow and quickly cap the well with a "Christmas Tree,"
 the nickname for the mass of taps and valves which are placed over the
 well head. From the well the oil is piped to the Refinery and then to
 the storage tanks at Sitra. But in every part of its processing little is
 seen of the oil except by the workers in the laboratories.

133 The oil industry today is the most important factor in Bahrain's
 economy and is recognised as such by the Government and the people
 of the country.

CHAPTER VI

JEWELS OF THE DEEP

228 Pearl diving is probably the oldest industry in Bahrain and has been
 the reason why an otherwise small and comparatively unproductive
 group of islands has been the scene of so many bitter wars and has
 been over-run by so many invading armies. From earliest times
 Bahrain has been famous for its pearls: in an Assyrian inscription of
 some 2000 B.C. a parcel of "fish eyes" from Dilmun is believed to be

pearls, and also the large scale manufacture of cultured pearls in Japan. It was indeed lucky for Bahrain that oil was found in 1932, or else she would have seen her principal industry slowly decline with nothing with which to replace it. Once the oil industry was established, however, it in its turn served to precipitate the decay of the older industry by providing employment with better conditions and higher pay than were to be found on the pearl banks. The decline had also been unwittingly aided by the reforms of the late Ruler, Shaikh Hamed, who, on becoming Deputy Ruler in 1923, found the working conditions of the industry in a shocking state. The pearl banks were productive and much money was being made but little of it went to the divers, many of whom had involved themselves in a form of financial slavery to the nakhudas. Divers were given advances by the captains before the season, to provide for their families while they were away at sea, and at the end of the season, while the sales of the pearls, were being carried out. The eventual result was that the captains gave advances far in excess of the money due to the divers at the end of the season and to repay these loans the divers were forced to work for the same captain in the following season. But each year the advances were again in excess of the divers' earnings and so they got deeper and deeper into debt to the captains. At the same time the latter were indebted to shore merchants for supplies, for which they were charged high rates of interest, although this was contrary to the Sheria Law. The captains passed this interest on to the divers, who thus paid a minimum of 50% of their original debt each year. Diving debts were bequeathed, sons of divers whose fathers died owing money to captains were forced to work for them, and a diver, if he became too old to work, was only released from diving if he was replaced by his son or some other relation. In addition to this, indebted divers were often made to work on land for their creditors, or were handed over as workers to merchants to whom the nakhuda owed money.

Shaikh Hamed was determined to abolish all these practices and was supported by some of the more progressive Arabs and the Shiite and Sunni judges, who disapproved of the whole system. Amongst the bitterest opponents of the reforms were the divers themselves who were persuaded by the nakhudas and merchants into believing that they were going to lose by them. The reforms were, however, introduced and resulted in fixed advances, the amounts of which were announced annually by proclamation, the restriction of interest on advances, and all advances in excess of the legal amounts to be unreclaimable in court. The divers were also entitled to seek other work on the condition that they repaid a certain proportion of their diving debt each year. Many thousands of debts were reduced and the special diving court, which had favoured the captains and merchants, was abolished and all diving cases were heard by the ordinary courts. Finally, the debts of a diver died with him and could not be inherited by his heirs. The result of the reforms was that the industry, although reduced in size was put on a much sounder footing and its workers were not forced to dive but did so because they wanted to.

The present premises of the club are to the north of Muharraq town, but they have become too small for the number of members and there are plans for the sale of the club buildings and the future construction of new and larger premises elsewhere in Muharraq.

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Al-Ahli Club. This is the largest Arab club in Manama, it was founded in 1938 and to-day has a membership of 285, which figure is rapidly increasing. The club has much the same aims as the one described above. It has a library and reading room and from time to time members and visitors deliver talks and lectures. The Club has recently moved to its new premises on Daly Road in Quadabiya. The central hall of the club has a stage for theatricals and public lectures and it is proposed to build two tennis courts in the grounds of the club. The club also has an excellent football team which usually does well in inter-Bahrain and foreign matches.

Khalifah Eslah Club. The second of the two Muharraq clubs, the Khalifah Eslah Club, has 150 members. Formerly housed in a building in the centre of the town, at the time of writing the club is raising funds for a new building on the Muharraq Sea Road.

This club was also founded for cultural purposes and much of its activity is connected with intellectual pursuits. At monthly meetings members of the club deliver lectures on various topics and there is a committee which encourages such activities. The club itself is administered by an elected committee which holds fortnightly meetings at which matters of interest to the club are discussed and members' proposals considered. From time to time the club produces plays which are well attended by the general public. It does not, however, take part in any sports.

BAPCO Club. The membership of BAPCO Club, with the exception of some 80 outside members from Manama, amounts to 1100 European and American employees of BAPCO and 400 wives and 350 children, the latter two groups being honorary members. The Club with its manifold activities is organised by the Oil Company for the entertainment of its employees during their leisure hours. Among the sports played under the auspices of the Club are cricket, association football, golf, hockey, squash, and tennis, as well as rifle shooting, archery and riding. Some of these activities are organised by separate clubs but they are all dependent upon BAPCO for financial aid and are, therefore, part of the BAPCO Club. There is also in Awali an amateur dramatic society, a library and billiards rooms.

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Every Thursday evening there is a dance at the club, once a month this is formal; also in the winter there are old-time dances which are particularly well attended.

The Pakistan Club. As its name implies, the majority of the members of this club are Pakistanis, but its 200 members also include many other

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PUBLIC WORKS DEPARTMENT

(Report by Mr. S. Hills, Director of Works)

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For the first time for many years the Department failed to show any increase over the preceding year in its expenditure, or—more important—the volume of work carried out. This was due entirely to the failure to increase the size of the supervising staff commensurate with the obligations of the Department. Despite the lack of any expansion, however, the year's figures indicate the P.W.D. had another very busy and productive year. An average number of 1,350 men were employed daily which shows that the Department was still second only to Bahrain Petroleum Company in being the biggest economic factor in the lives of ordinary people of Bahrain. As previously, P.W.D. carried out far more work than any of the local contractors, and continued to set a standard for local development.

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Weather conditions were exceptionally favourable for the Department's activities. The winter months were unusually mild and there was no severe storm at any time during the year. The summer was good, although there were one or two unpleasantly hot and humid spells in July and August.

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Costs continued to rise, but the increase was not so marked as in the two previous years. Indeed, there was a welcome drop in the prices of various imported stores, but locally produced stores—which form so big an item (about 26 per cent.) in the Department's total costs—became considerably dearer. As the cost of these is almost entirely one of labour and transport, it would not have been surprising if this increase had occurred a year or so ago. There was some small rise in labour costs, caused by increased rates being paid to better-grade tradesmen—the basic rate for coolies and second-grade tradesmen remaining the same. This is really a good thing, as the standardisation of wage rates is surely one of the most lamentable features of the modern trend of development; and a man should be encouraged to expect to be paid according to his ability. As before, the increase in cost was most marked in the smaller works and in maintenance. A feature out of the Department's control, which added to the rise in costs was the quite deplorable shipping situation which developed towards the end of the year. Many ships, carrying stores for Bahrain, failed to discharge their cargoes, but overcarried them to Basra where they were transhipped and taken all over the Gulf (and at times as far as Aden) before they were eventually off loaded at Bahrain. Many works were delayed in consequence, with an inevitable rise in costs.

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This question of costs is closely linked with labour and supervision. Labour troubles were rather less than in the last year or two. In the early months of the year, the strength of carpenters, which had fallen so low at the end of 1951, was again built up; and maintained throughout the year. The most serious shortage, in the year under review, was in good decorators. The standard of painting throughout Bahrain is very poor indeed. The local idea is to apply paint as thickly as possible, but never to worry about first preparing the work, and still less if much of the paint goes on the floor, window glass, or nearby furniture or fittings. P.W.D.'s annual commitment for decorating is now so large that the poor standard of performance is becoming a serious matter; and as far as new work is concerned, the better standard of construction now being achieved is all too often spoilt by the indifferent standard of finish. There can only be one answer—constant and exacting supervising, and the Department was not, this year, in a position to give this.

Although the labour strength was just maintained at a level adequate to meet commitments, yet the position was always delicate, because of the greatly increased amount of work being done by local contractors, who were only too ready to lure away good P.W.D. men by paying higher wage rates.

During the year, one man, Mohamed Bussager, foreman fitter, went to England for six months, under the auspices of the British Council. He greatly benefitted by his visit. It is hoped that more men may be sent on similar courses during the next few years.

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ARABIA

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so much that was orderly and progressive had been done already. In the days of Shaikh Hamad (1923-42) conditions in the pearl industry had been reformed, and municipalities, education, and other public services had been developed. These are now being further expanded. The state provides free medical services for all its people and free education in primary and secondary schools and in a technical school; in 1953 there were 4,700 boys and 2,300 girls at school, at a budget cost of 2½ million rupees per annum.

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Socially, the impact of good employment in the oil company has been more widespread in Bahrain than in Kuwait, firstly because of the much longer period during which the company has been operating and secondly because its policy, unlike that of the Kuwait Oil Company, is to transport its local workers daily from homes in neighbouring towns instead of constructing a special township near the oilfield. Both policies present certain advantages; one effect of the former is to integrate the oil company into the daily life of the state. Yet there are so far no Bahrainis in BAPCO's senior administrative grades since all local men of this calibre have so far preferred to find jobs in commerce, with its prospects of a larger and speedier return for effort. As in Kuwait, more and more well-to-do merchants are sending sons abroad for education and it is an open question how these will react to the autocratic rule of a family in years to come.

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The unit of currency in Bahrain is the Indian rupee. Imports constituted in 1952 about double the value of exports and re-exports (£14.6 million as against £7.4 million). More than half the latter were to Saudi Arabia, the balance chiefly to Qatar and to Persia with which, despite Persia's shortage of hard currency, there continues to be a considerable volume of barter trade.

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The Shaikhdom of Qatar comprises the peninsula of that name, lying midway along the western coast of the Persian Gulf. It has an area of about 8,000 square miles with a population of some 25,000. From a dangerous coast-line the land rises to a low, monotonous plateau. The main water-supplies are from wells. Its only land frontier—that with Saudi Arabia—has never been demarcated.

Qatar has been in relations with Great Britain since 1882. An agreement with Britain of 3 November 1916 had provisions similar to those with the other Trucial shaikhs, and included a clause making the grant of pearling concessions or other mono-

THE ARAB AT HOME

600 season. The men go out and dive in this coöperative way for one summer, but they are back again the next year as parts of the old machine. What drives them back? From a distance it looks like insanity, but any one acquainted with the local conditions knows this result is inevitable. The Arabs simply cannot coöperate to that extent. They cannot trust each other even in such an association. In a community where simple business partnership between two men in the bazaar is almost unknown, it is futile to expect a dozen divers to coöperate successfully in an enterprise like diving, where mutual forbearance and mutual confidence would be essential, and where the catch might be good sometimes but quite certainly would be bad at other times. The road out of the diver's present trouble is obvious enough, but it is not a possible road for the Arab as he is constituted at present. No road could be more impossible. A little coöperation would save him from the exactions of dishonest captains and greedy pearl merchants, but of that coöperation the Arab is incapable. So since he is unable to organize his industry for his own benefit, it is organized for him by others for their interest, and it goes without saying that the organizer exploits the men under him to the utmost limit.

464 The fundamental difficulty is in the divers themselves.

- 466 The majority of the divers of Bahrein are Persians, or
- 426 belong to that semi-Persian community known as the "Baharina." They are cheated and defrauded by their employers to a degree almost beyond belief. Their economic condition is pitiable. Not so the comparatively small number of divers who come in from the desert. The Bedouins who come and dive are never exploited. A captain who attempted to cheat them would lose his

PEARL DIVERS

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head and he knows it. Therefore these Bedouins, who avoid debt as they would the plague, receive a much better reward for their work than the others. These wild men bow to no authority except that of Allah in Heaven, and are not easy victims. They usually club together and dive in boats by themselves. They keep out of debt, and so have no limitations to their independence. I asked one of them once in a jocose way whether he was sure that the captain was honest in the reports that were submitted as to the prices secured for pearls and the season's proceeds. "Ah," said the diver with the broadest sort of an engaging smile. "What is that you say? Does the captain lie about the price of the pearls he sells for us? No, indeed, he does not lie. He tells the truth. If he should try to cheat us, ha-a." Here the smile extended till it took in his whole face, and he drew the edge of his hand across his own neck in a gesture the meaning of which could not be misunderstood.

The most conspicuous example, however, of divers who are out of debt and therefore out of bondage, is to be found in Katar. Here is a small diving community where practically all of the men are out of debt, and the atmosphere of freedom and equality, good fellowship and comfort is a refreshing contrast to the conditions in Bahrein. The men show real independence and self-respect. These divers can change their employers if the treatment they receive is not satisfactory. They can move to another city to live. In a word, they are free men. Yet the system under which they work is no different from that obtaining in Bahrein. It is the divers who are different. They are Bedouins or descended from Bedouins. They keep out of debt and as a result the system works very well.

Company Policies and Activities

471 In accordance with the conditions of the concession, laid
 464 down by the British Colonial Office, Bapco employed a considerable number of Bahreinis in its undertakings, almost exclusively in the lower grades. The total number of employees in 1948 was 6,078, and of these 4,650 were local employees. [16] While this was only 4.23 per cent of the total population, then estimated at about 110,000,¹⁸ it was 76.5 per cent of the total employed by the company. The staff was increased in 1951 to 7,749, and of this number 4,937 were Bahrein nationals.¹⁹ This drop in the percentage of native employees, from 76.5 to 64, was not the result of Company policy but was due to the greater demand for workers in the expanded oil-producing areas of the Gulf—Saudi Arabia, Kuwait and Qatar. Many Bahreinis, finding the wages offered in other areas more attractive, left their home islands, which made it necessary for Bapco to employ more foreigners such as Indians, Pakistanis, Persians and others. This created a peculiar phenomenon: educated and semi-educated Bahreinis sought work abroad, while destitute foreigners flocked to the islands.

471 In addition to direct payments in revenue and indirect payments in terms of wages and purchases of local materials for the operation of the concession, the Company contributed directly to many social and economic projects aimed at bettering the general conditions; these included housing, electric lighting, water supply, and sanitary facilities. It operated a hospital and clinics, and also subsidized the American Mission Hospital. In the field of education it assisted the Government's technical school for native boys; upon graduation students from that school were employed by the Company, which provided further mechanical training.²⁰ It also cooperated in many agricultural and irrigation projects.²¹

471 However, the impact of the oil industry on the people of
 651 Bahrein came primarily from the utilization of the revenue from the oil. The oil payments were divided into three parts:

¹⁸ Max Steineke and M. P. Yackel estimated the population at about 125,000, "Saudi Arabia and Bahrein," in *World Geography* (Princeton, 1950), 226.

¹⁹ U.N., *Review 1949-50*, 60;—*Summary 1952-53*, 58.

²⁰ The Bapco training program is described by its vice-president, Russel M. Brown, "Schooling in Skills," *Oil Lifestream of Progress*, IV, 6-8, Oct., 1954.

²¹ U. S. Senate, *American Petroleum Interests in Foreign Countries*, 288-289.